SAMA

Saskatchewan Assessment
Management Agency

ANNUAL 2006 REPORT

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN

SAMA

Saskatchewan Assessment
Management Agency

SAMA
Saskatchewan Assessment Management Agency

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

VISION

SAMA is the recognized leader and authority on property assessment in Saskatchewan, and the service provider of choice for Saskatchewan's local governments.

MISSION

Under legislative mandate, SAMA develops, delivers and promotes a cost-effective property assessment system for Saskatchewan that is accurate, up-to-date, universal, equitable and understandable.

To do this we focus on five key responsibilities:

REGULATORY

We provide regulatory management of the property assessment system by determining methods of valuation, establishing rules of assessment, and preparing assessment manuals for assessors and appraisers.

DATABASE

We compile, manage and process a central information database of property assessment values and records.

QUALITY ASSURANCE

We conduct quality assurance audits to ensure accurate property assessment values by supervising the administration of the assessment provisions of the municipal Acts, and confirming municipal assessment rolls.

ASSESSMENT SERVICES

We provide property assessment valuation and defence of value services to municipalities.

COMMUNICATIONS

We provide information, consultation and education on property assessment practices to local governments and the public.

SAMA

2006 ANNUAL REPORT

TABLE OF CONTENTS

LETTER OF TRANSMITTAL FROM THE MINISTER 2

LETTER OF TRANSMITTAL FROM THE CHAIR 3

CORPORATE PROFILE 4

ORGANIZATION 6

BOARD OF DIRECTORS 7

EXECUTIVE TEAM 7

CHAIR'S REPORT 8

ADMINISTRATIVE REPORT - THE YEAR IN REVIEW 13

2006 CONFIRMED ASSESSED VALUE TOTALS BY TAX STATUS 18

2002-2006 CONFIRMED TAXABLE ASSESSMENT TOTALS 20

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS 21

FINANCIAL REPORT
AUDITORS' REPORT 27
FINANCIAL STATEMENTS 28

PROVINCIAL INTEREST EXPENDITURES
AUDITORS' REPORT 37
SCHEDULE OF PROVINCIAL INTEREST EXPENDITURES 38

LIST OF OFFICES 41

The Honourable Gordon L. Barnhart
Lieutenant Governor
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4T 1B7

Harry Van Mulligen
Minister of
Government Relations

Your Honour:

I have the honour to submit the 2006 Annual Report for the Saskatchewan Assessment Management Agency.

The Saskatchewan Assessment Management Agency operates on the calendar year. This report documents the period January 1, 2006 to December 31, 2006.

Respectfully submitted,

Harry Van Mulligen
Minister of Government Relations

SAMA

2006 ANNUAL REPORT

LETTER OF TRANSMITTAL FROM THE CHAIR

Honourable Harry Van Mulligen
Minister of Government Relations
Room 315, Legislative Building
Regina SK
S4S 0B3

Craig Melvin
SAMA Chair

Mr. David Marit, President
Saskatchewan Association of Rural Municipalities
2075 Hamilton Street
Regina SK
S4P 2E1

Mr. Roy Challis, President
Saskatchewan School Boards Association
400, 2222 - 13th Avenue
Regina SK
S4P 3M7

Mayor Allan Earle, President
Saskatchewan Urban Municipalities Association
200, 2222 - 13th Avenue
Regina SK
S4P 3M7

Dear Sirs:

On behalf of the Board of Directors, I respectfully submit the 2006 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 2006 to December 31, 2006.

Yours sincerely,

Craig Melvin
Chair, Board of Directors

CORPORATE PROFILE

The Saskatchewan Assessment Management Agency (SAMA) was formed in 1987 by *The Assessment Management Agency Act* to develop a fair property assessment system and to provide municipalities and school divisions with cost-effective assessment services.

Responsibility for both the assessment system and assessment services – formerly held by the provincial government – was given to the independent Agency based on the recommendation of the Local Government Finance Commission. The Commission stated that the change would overcome a lack of local government authority in the assessment function, ensure adequate resources for the long term, provide needed research and policy development, and establish a higher priority for the assessment function.

SAMA is funded jointly by the Province, municipalities, and school divisions. The Agency receives statutory funding from the Province for provincial program services: assessment policy research, a central database of assessment information, assessment information for provincial programs, and quality assurance. The Department of Learning pays the education sector requisition on behalf of school divisions. The balance of the Agency's revenue is provided by those municipalities that use the Agency's assessment services, and is obtained through a municipal requisition.

SAMA provides assessment valuation services to 783 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 762,800 properties in the province. SAMA's central office is located in Regina. The Agency provides assessment services to municipalities from six regional offices – Melfort, Regina, Saskatoon, Swift Current, Weyburn and Yorkton – and one rural office in North Battleford. In 2006, SAMA began providing assessment services under contract to the City of Moose Jaw.

For 2006, the Agency's eleven-member Board of Directors, appointed by the Lieutenant Governor in Council, consisted of:

- two members named by the Saskatchewan Association of Rural Municipalities (SARM)
- one member named by the Saskatchewan Urban Municipalities Association (SUMA) for urban and northern municipalities under 30,000
- one member named by SUMA for cities with a population exceeding 30,000
- two members named by the Saskatchewan School Boards Association
- three members nominated by the Minister of Government Relations
- one member nominated by the Minister of Government Relations based on a recommendation by the Minister of Learning
- the chairperson of the Board, who is nominated by the Minister of Government Relations after consultation with SARM, SUMA and the Saskatchewan School Boards Association

To hold membership on the SAMA Board, the municipal and school division members must themselves be elected local government officials. Board members are appointed for a maximum three-year term and may be reappointed to subsequent terms.

The SAMA Board maintains advisory committees to review policies and practices respecting assessments and to make recommendations to the Board concerning those policies and practices. Three of these committees are statutory:

- Urban Advisory Committee, representing urban and northern municipalities under 30,000 population
- City Advisory Committee, representing cities with a population over 30,000
- Rural Advisory Committee, representing rural municipalities

Two additional committees have been established by the Board:

- Commercial Advisory Committee, representing commercial and industrial property owners and others with similar interests
- The Agricultural Land Review Committee, representing stakeholder organizations, expert third parties and assessment professionals, focusing on improving agricultural land assessment (term completed on December 31, 2006)

SAMA also maintains a number of administrative committees to receive input and consultation on more detailed, procedural, technical and legislative issues:

- The City Assessors/SAMA Committee, representing assessment professionals from across Saskatchewan. This group, which includes two Board members as observers on the committee, focuses on issues related to implementing a 2009 market value assessment system for urban properties.
- The Legal and Legislative Review Committee, representing legal counsel and technical experts from SAMA, the Cities, the Saskatchewan School Boards Association, the provincial departments of Government Relations, Learning and Justice. This group provides the Agency with valuable input and feedback on any proposed regulatory or legislative changes.

In addition to regular meetings of the advisory committees, SAMA holds an annual meeting, to which municipalities and school divisions can send voting delegates. Business conducted at the meeting includes:

- hearing the annual report of the Board of Directors
- considering and adopting resolutions put forth by municipalities and school divisions
- considering changes proposed by the Agency to assessment legislation
- considering any reports made by the Agency on matters such as assessment policy or practice and assessment administration

SAMA
Saskatchewan Assessment Management Agency

SAMA

Saskatchewan Assessment Management Agency

BOARD OF DIRECTORS

CEO

EXECUTIVE ASSISTANT

QUALITY ASSURANCE

FUNCTIONS
- Managing Director, Quality Assurance, Reports Directly to the Board Respecting Roll Confirmation and Audit Services

CORPORATE COUNSEL

FUNCTIONS
- Provides Legal Services to the Board & Administration

COMMUNICATIONS

FUNCTIONS
- Public Education
- Community Relations
- Stakeholder Relations
- Issues Management
- Strategic Planning
- Media Relations

ASSESSMENT SERVICES

FUNCTIONS
- Revaluation
- Field Work (Maintenance, Reinspections)
- Defence of Value
- Data Entry

INFORMATION SERVICES

FUNCTIONS
- Database Management
- Systems Development
- Technical Support

TECHNICAL STANDARDS AND POLICY

FUNCTIONS
- Liaison and Policy
- Technical Standards (Assessment Manual, Training, Interpretation and Guidance Support)
- Special Projects

CORPORATE ADVISOR

FUNCTIONS
- Projects
- Research
- Studies
- Corporate Advice

HUMAN RESOURCES

FUNCTIONS
- Collective Bargaining
- Employee Relations
- Staffing & Classification
- Benefits Administration
- Central Record Keeping

FINANCE

FUNCTIONS
- Budgeting
- Accounting
- Asset Management
- Financial Reporting
- Procurement
- Office Accommodation

BOARD OF DIRECTORS

Back row, Left to right: **Ray Sass,** representing Boards of Education; **Ron Thomas,** representing the Province; **Fred Clipsham,** representing Urban; **Arthur Scherr,** representing the Province; **Robert Schultz,** representing the Province
Front row, Left to right: **John Wagner,** representing Rural; **Darryl Senecal,** representing Rural; **Craig Melvin,** Chair, representing the Province; **Sharon Armstrong,** representing Urban; **Rick Brunsdon,** representing the Province

Missing from photo: **Dan Danielson,** representing Boards of Education

EXECUTIVE TEAM

Back row, left to right: **Gordon Senz,** Managing Director, Quality Assurance Division; **Rick Lee,** Managing Director, Information Services Division; **Timothy Furlong,** Managing Director, Assessment Services Division; **Brad Korbo,** Acting Managing Director, Technical Standards and Policy Division ; **George Dobni,** Managing Director, Finance Division; **Irwin Blank,** Chief Executive Officer Designate; **Gord Larson,** Director of Development, Saskatchewan Property Assessment Network; **Stuart McDonald,** Corporate Advisor
Front row, left to right: **Dona-Lynn Morley,** Corporate Counsel; **Terry Zborowski,** Managing Director, Human Resources Division; **Penny Gingras,** Executive Assistant; **Murray Cooney,** Chief Executive Officer; **Margaret Duffy,** Managing Director, Communications Division

CHAIR'S REPORT

The SAMA Board of Directors is responsible for the regulation of assessment policies and governance of the property assessment system that is used by all urban, northern and rural municipalities in the province. This includes regulating assessment valuation procedures, conducting assessment research, consulting on policy with government, the public, municipal governments and assessment stakeholders, confirming municipal assessment rolls, maintaining a central information database, and undertaking quality assurance functions, including primary and secondary audits.

SAMA consults extensively to ensure the implementation of equitable and understandable assessment policies for property owners. Municipalities and school divisions play an indispensable role in the assessment system and our successes are very much a collective achievement, providing a base to build on as we prepare for the future.

SAMA Funding

Municipalities contribute to SAMA's assessment services through an annual requisition fee. In 2006, this fee amounted to $5.0 million out of a total budget of $15.5 million. The SAMA Board did not raise the municipal requisition fee in 2006 and will not do so in 2007.

Department of Learning funding increased from $1.6 million in 2005 to $2.5 million in 2006. The Province pays the education sector requisition on behalf of school boards through the foundation operating grant program.

The Agency appreciates this funding from the education sector. SAMA requires a commitment to a secure future funding base if it is to provide a quality product and be responsive to property owners and stakeholders.

Throughout 2006, SAMA was engaged in consultations with the Province regarding a long-term sustainable financial plan to meet the Agency's assessment mandate and strategic objectives.

Legislative Update

In April 2006, The Government of Saskatchewan passed legislative amendments to complete the framework needed to move Saskatchewan to a market value assessment system. Amendments to the following Acts were passed in the Spring 2006 session of the legislature:

- *The Assessment Management Agency Act*
- *The Cities Act*
- *The Municipalities Act*

Several foundational legislative changes for market value assessments will be effective in 2009, while others became effective on January 1, 2007.

- Inclusion of market value assessment and regulated property standards including the addition of significant new valuation flexibility for market value assessment properties (2009)
- Equity provisions that are appropriately results-focused for market value assessment properties (2009)

- Removal of statutory restriction regarding use of the property income (rental) approach (2009)
- Changes to ensure necessary information is provided and is kept confidential (2007)
- Improvements to streamline the appeal process (2007)

Equity provisions

Equity will remain the dominant and controlling factor for assessment

- For regulated properties, equity will be achieved similarly as it is currently, when the assessments have been determined in accordance with the formulas, rules and principles set out in the relevant municipal Act, its regulations, the assessment manual and any SAMA regulations (2009)
- For market value properties, equity is achieved through the application of the market valuation standard when the assessment bears a fair and just proportion to the market value of similar properties (2009)

Other changes:

- SAMA will be able to publish handbooks and refer to other manuals by reference (2007)
- Assessment Appraiser authority to act in the stead of (have the powers of) the local assessor clarified to include requests for information and validation of value work at appeal tribunals (2007)

Strategic Planning

The SAMA Board of Directors reviewed and updated its strategic plan throughout 2006. The plan focuses on strategic directions and high-level commitments that include: successfully implementing the 2009 revaluation, securing stable funding, enhancing communications and relationships with stakeholders, and achieving desired legislative change.

The Board continues to monitor progress towards the realization of these strategic directions, and will continue to work to implement additional Agency performance objectives to align with them.

SAMA's Quality Assurance Function

The Board has committed to a review of SAMA's quality assurance function prior to the 2009 revaluation. The Board developed and finalized new secondary audit (detailed assessment audit) procedures for the current revaluation cycle in 2006, and began work to develop and incorporate changes needed to accommodate confirmation and quality assurance audit issues arising from the implementation of the full market value assessment system for urban properties. The Board approved a secondary audit model in 2006, which Quality Assurance Division will deploy in 2007.

At the SAMA 2006 Annual Meeting, a resolution was passed regarding issuance of confirmed assessment certificates by January 15th of the year following the date of the assessment return. In response, the SAMA Board has determined it will make every effort to confirm initial assessment returns submitted to SAMA within the required time, by January 15th of the following year, and will use the date of the regular January Board of Directors meeting as a performance measure.

A Look Ahead to 2009

In Saskatchewan, property values are updated every four years. The Agency oversees a full revaluation of all properties in the province to implement a new base date. The current revaluation in Saskatchewan was completed in 2005, using June 30, 2002 as the base date.

June 30, 2006 will be the base date for the next revaluation in 2009. This revaluation will use a market value standard for residential and commercial properties. It will align Saskatchewan's assessment system with other assessment jurisdictions throughout Canada.

Agricultural properties will continue to be assessed using the current regulated system based on productive value. Heavy industrial property, railway, pipeline and resource production equipment will continue to use a regulated system.

The SAMA Board of Directors has approved the following **Vision for the 2009 Revaluation:**

> "To build public trust by providing fair, transparent, understandable and defensible property valuations in a results based, mass appraisal, market value assessment system, used for the distribution of taxation.

The principles for the 2009 revaluation are to implement a market value system that:

1. Permits the use of the cost, sales comparison, and income approach where appropriate in all jurisdictions;
2. Uses regulation for properties such as agricultural land, oil and gas well production equipment, linear property and heavy industrial property; and
3. Sets the stage for a shorter revaluation cycle."

The 2009 vision calls for a change from our current highly regulated and restricted property assessment system to a more flexible, results-focused market value assessment system.

Three Property Valuation Approaches

There are three generally accepted appraisal techniques used to value property in a market value assessment system: the cost approach, the sales comparison approach and the property income (rental) approach.

Starting in 2009, each of the three approaches to value will be used in Saskatchewan. To ensure final assessed values are as accurate as possible, professional assessment appraisers will collect and analyze available cost, market and property rental income information and use the valuation approach that provides the best estimates of value for various property types, based on available information.

The **cost approach** is the only method currently allowed in Saskatchewan to value commercial properties. The cost approach estimates the replacement cost of a building, less depreciation, adding land values primarily based on sales. The approach is most useful when there are few comparable sales. The cost approach is valid and will continue to be used in smaller municipalities and for specific property types across Saskatchewan.

The **sales comparison approach** is appropriate for determining property assessments for areas and property types with active sales markets, such as residential property in medium to large cities. Based on the experience of other market value assessment jurisdictions in Canada, the sales comparison approach has limited applicability to commercial properties, except in selected areas and for specific property types with active local sales markets.

The **income approach** to value is based on the premise that the value of a property is directly related to the rental income it will generate. The appraiser analyzes both the property's expenses and ability to produce future income, and then estimates the property's value. Based on the results obtained from other Canadian market value assessment jurisdictions, the property income (rental) approach provides the most fair, reliable and accurate assessed values for commercial property and rental apartments in areas where there are active lease and rental markets.

The City Assessors/SAMA Committee

In March 2004, the SAMA Board established a Technical Development Committee (TDC) to prepare recommendations and direct policy for the implementation of the 2009 Vision. The TDC was disestablished on December 31, 2005 upon completion of its mandate. The City Assessors/SAMA Committee was asked to continue the practical implementation of the 2009 Vision, starting in January 2006.

The City Assessors/SAMA committee met several times throughout 2006 and will continue to meet and act as a revaluation steering committee until its mandate is complete in 2009. The committee's membership includes assessors from all independent jurisdictions, highly qualified professionals in the assessment industry representing large and small cities, the Appraisal Institute of Canada, the Saskatchewan Assessment Appraisers' Association, and SAMA staff.

Agricultural Land Review Committee

In May 2004, the Saskatchewan Assessment Management Agency (SAMA) Board established an Agricultural Land Review Committee to review all aspects of arable (cultivated) and non-arable (pasture) agricultural land property valuation models. The committee released its final report of recommendations for the 2009 revaluation in the fall of 2006.

The Agricultural Land Review Committee developed the following vision for the 2009 agricultural land model:

> "To build public trust in the arable and non-arable agricultural land assessments by providing a mass appraisal valuation system that:
>
> - is consistent with SAMA's Mission;
> - is based on the potential productivity of the land;
> - is defensible and stable; and
> - uses objective and verifiable data."

SAMA's Mission Statement emphasizes the Agency's legislative responsibility to develop, deliver and promote a cost-effective property assessment system for Saskatchewan that is accurate, up-to-date, universal, equitable and understandable.

For agricultural land valuation, potential productivity is the primary basis of comparison. Productive capacity of arable agricultural land is determined using a soil classification system correlated with long-term wheat yields.

For hay and pasture land, carrying capacity data will continue to be used to measure potential productivity. Carrying capacity varies based on soil characteristics and measures the long-term potential productivity for pasture. It is the only unit used by assessment jurisdictions in Canada and the United States to measure potential productivity of pasture, and will continue to be used in the future.

Specific committee recommendations include:

- confirming the existing productivity model as practical, but in need of refinement
- maintaining a productivity index system that permits the relative ranking of individual soil types from best to worst based on the soil's long-term potential productivity or yield
- including additional economic adjustments and productivity model refinements to more accurately measure agricultural cost of production factors
- adjusting for freight rates and long distances to grain elevators
- refining climate-related variables on an ongoing basis
- realigning pasture land assessments to more closely reflect differences in productivity levels between different pasture types
- continuing to convert the productivity index to a dollar value, using the provincial average agricultural land values, in the mass appraisal valuation model

The SAMA Board approved the Agricultural Land Review Committee's final report in December 2006, and the report's recommendations will be incorporated into the 2006 Base Year Manual.

Governance

It is the role and responsibility of the SAMA Board of Directors to provide a long-term vision for the provincial property assessment function and a plan to achieve it. The Board was created by the Province in 1987 and charged with a mandate to develop, deliver and promote a cost-effective property assessment system for Saskatchewan that is accurate, up-to-date, universal, equitable and understandable. Since its 1987 inception, the Board's focus has been to move Saskatchewan's property assessment to national and international standards.

By December 2006 the stage was set for:

- The foundation of a market-based valuation system for residential and commercial property
- Necessary legislation and related tools to support sales, income and cost valuation systems required to move to market (in a province with complex and varied assessment requirements)
- An updated Computer Assisted Mass Appraisal (CAMA) system to support market valuation
- Professional training programs to support assessment appraisers in their work
- Enhanced primary and secondary quality assurance audit procedures, as a first step in addressing the market system's demands

Each of these developments has been carefully and jointly planned with all sectors of the assessment community. The next steps for 2007-2009 are critical to achieving the final vision for the provincial assessment function.

All jurisdictions - large and small - rely on SAMA to create the rules that result in fair and equitable assessments. We are pleased to work as members of SAMA's Board of Directors to develop these rules and shape the direction of property assessment in Saskatchewan.

Craig Melvin
Chair, Board of Directors

Assessment Services

The Assessment Services Division provides valuation services to 783 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 762,800 properties in the province. Core processes include revaluations (every four years), requirements for the move to market, annual maintenance, assessment validations, and general re-inspections.

Annual Maintenance Inspections

SAMA conducts inspections of individual properties that have undergone changes, and recalculates assessment values.

Assessment Validation

SAMA provides its client municipalities with property assessment experts to validate assessments at open houses and ratepayer/council meetings and all levels of appeal – i.e. Board of Revision, Saskatchewan Municipal Board and Court of Appeal. SAMA also identifies and monitors precedent-setting assessment appeals that may have policy or procedural implications.

Property Inspection Programs

SAMA maintained detailed property assessment records under the annual maintenance program and the general reinspection program. The annual maintenance program ensures that individual properties with changes are inspected and new assessment values are calculated. Periodically, all properties in the municipality are reviewed under the general reinspection program.

The following is a summary of reinspection activities conducted by SAMA in 2006:

- reinspection of more than 5,900 agricultural parcels (quarter sections)
- reinspection of more than 4,550 building improvements
- reinspection of 2,465 industrial properties
- more than 27,760 non-industrial property assessments updated and 64,000 industrial property assessments updated under the annual maintenance program
- general reinspections implemented for 1 rural and 41 urban municipalities
- general reinspections initiated in an additional 2 rural and 10 urban municipalities

In 2006, a total of 723 property assessment appeals were filed with local Boards of Revision and 22 of those were appealed to the Saskatchewan Municipal Board.

Sales Verification

Since many appraisals are based on sales data, appraisers regularly complete sales verifications on recently sold properties. Accurate information on arm's length sales of real property is an essential requirement of fair and equitable property assessments.

In 2006, the Assessment Services Division focused on sales verification in all jurisdictions in preparation for the 2009 revaluation. All returned sales verification forms were returned to the division's Revaluation Unit to be coded and entered onto the Saskatchewan Property Assessment Network.

SAMA
Saskatchewan Assessment Management Agency

All identified sales requiring linking were matched to Information Services Corporation (ISC) parcels. This assessment parcel matching project is essential to making full use of Geographic Information Systems (GIS) to display and analyse assessment information in the future.

Income Approach

Since 2002, the province has provided $330,000 per annum towards SAMA's property income (rental) approach project. The income approach is a commercial property assessment methodology integral to SAMA's future implementation of a mass appraisal market value assessment system. Where applicable, the income approach will provide the appraiser with an additional, important valuation tool to reflect property valuation accuracy.

Only income and operating expenses related to a property's operation are used for the property income (rental) approach. Income or expenses associated with the operation of a business conducted on the property are not normally relevant or used in the property's valuation.

Income research pilot projects have been undertaken in a number of SAMA jurisdictions, including the City of Yorkton, and more recently, the City of Humboldt. Separate pilot income research projects were also undertaken on hotels, motels and apartments across SAMA jurisdiction municipalities. Findings from these pilot projects will guide market value assessment implementation across the province.

SAMA has collected physical data, owners' names and mailing addresses, and taken digital photographs of commercial properties located in many SAMA jurisdictions. The income team investigated commercial properties in the Agency's jurisdictions throughout the province to determine where the approach could be used, and what property types could be valued using the property income (rental) approach.

All commercial property information related to rental income will be kept confidential under *The Local Authority and Freedom of Information and Protection of Privacy Act*. The *Assessment Management Agency Act*, *Cities Act*, and *Municipalities Act* also contain confidentiality clauses.

SAMA will continue to work actively on the property income (rental) approach project so that the necessary processes, systems, training and all required new data is in place for implementation in 2009.

Saskatchewan Property Assessment Network

The Saskatchewan Property Assessment Network (SPAN) is an integrated computer assessment information system that replaces the former Computer-Assisted Mass Appraisal (CAMA) system, designed in the 1970s.

The SPAN project has been fully funded by the provincial government since 2002. The annual $990,000 SPAN development funding allotment will continue for 2007, and was essential for completion of the SPAN project in 2005.

SAMA anticipates that the SPAN system operational environment will continue to improve significantly to better serve the Agency's needs and those of all our clients and stakeholders over the next months and years. In 2006, enhancements to the system began for the 2009 revaluation. The system is being refined to permit the implementation of the sales comparison and property income (rental) approaches.

Information Services

In 2006, Information Services focused primarily on developing applications for the Assessment Services Division to use three approaches to value for the 2009 Revaluation: the cost approach, the sales comparison approach and the property income (rental) approach.

The SPAN project will be challenged to contain the following new applications to support producing 2006 base year preliminary values for early 2007:

1. Rental Income application
2. Commercial Marshall and Swift application
3. Further integration of sales transaction processing to support the cost approach and market value approach using multiple regression analysis techniques and sales comparison techniques
4. Agricultural Land application

Modifications are being made on SPAN to support any refinement of existing commercial, industrial, urban and agricultural models.

Operational improvements are ongoing to facilitate faster servers, increased capacity and software upgrading to help ensure SPAN remains modern and efficient for the Agency.

The legacy CAMA system was decommissioned in 2006.

The Agency embarked on an aggressive project to complete the City of Moose Jaw's conversion to SPAN in 2006. This successful system conversion is a prerequisite for the City of Moose Jaw Assessment office. Information Services made steady progress in this undertaking throughout 2006 in an effort to complete the Moose Jaw assessment computer system conversion project in the first quarter of 2007.

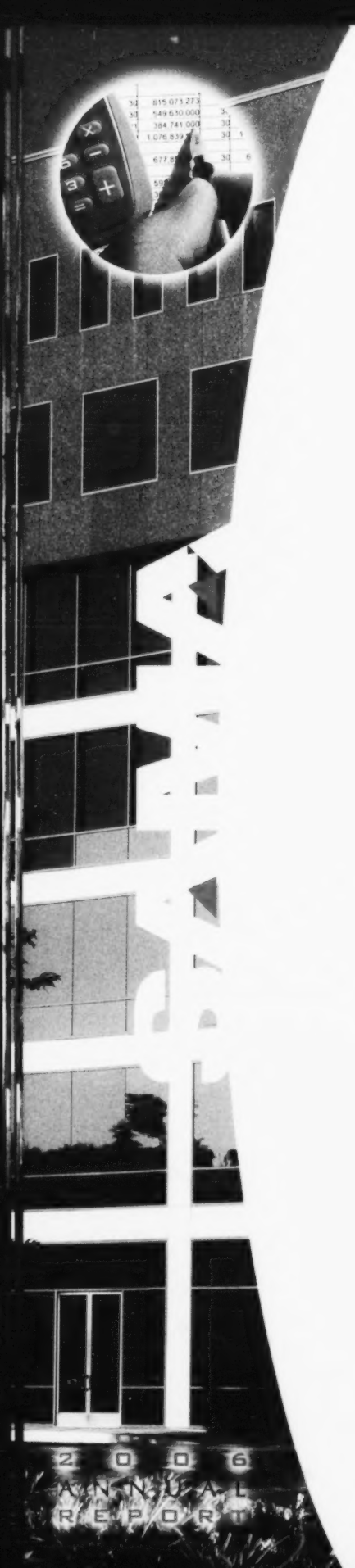
Significant effort was incurred to support organizational changes during the year in preparation for the 2009 Revaluation.

The City of Moose Jaw

The City of Moose Jaw officially became a SAMA assessment service client on April 17, 2006. The assessment services contract between SAMA and Moose Jaw will be fully funded by the City and will run until December 31, 2015.

Moose Jaw engaged SAMA as its service provider because it had faced many challenges respecting changing technology, new methodologies, and recruiting and retaining professional appraisers. To meet these challenges, it was important for Moose Jaw to retain the services of a larger property assessment organization.

Saskatchewan's other three major cities (Regina, Saskatoon, Prince Albert) operate independently of SAMA, but work with the Agency on other major projects on behalf of property taxpayers across the province. SAMA benefits from the skills and abilities of city staff and appreciates the cities' expertise, and their contribution to the property assessment system in Saskatchewan.



Human Resources

Despite a regional and national shortage of professional property assessment appraisers, SAMA made some moderate gains in filling some of its vacant appraiser positions. The Agency was able to attract several experienced assessment appraisers into previously vacant positions.

As of December 2006, the Agency employed 182 permanent and temporary positions, 116 of which were in the Assessment Services division:

Permanent: 164:

- 155 Board-approved positions: including Appraisers, Agrologists and Market Specialists
- Six additional Moose Jaw positions
- Three Special Project positions

Temporary: 18:

- 13 Administrative 1
- One Assessment Assistant
- One Business Analyst
- One Administrative 2
- One Associate Appraiser
- One Program Analyst 2

The Agency continued its Training Assessment Appraiser Program (TAAP) to develop future urban appraisers. Upon completion of this five-year program, the successful candidate will be a fully qualified and accredited assessment appraiser with a remaining three-year service commitment to the Agency. Two TAAP candidates accepted offers of employment in the Melfort Regional Office.

SAMA remains committed to working with Lakeland Community College in Vermilion, Alberta to recruit new personnel. Anticipating a scarcity of assessment appraisers, the Agency continues its:

- $5,000 sponsorship program for a limited number of second-year students at Lakeland Community College (students sign an employment commitment to SAMA)
- $500 annual bursary, awarded to a first-year student with the highest grade point average in assessment appraisal studies

Other significant SAMA employment changes in 2006 include the following:

- New Managers of the Moose Jaw and Yorkton Regions
- Recruitment of four staff from the City of Moose Jaw to SAMA

Staff market value assessment training in preparation for 2009 was a focal point for the Agency. A comprehensive training program was developed and a number of training sessions for new and experienced staff took place during the year.

Recruitment, Retention and Succession Implementation Plan

In March 2006 the Board undertook a strategic commitment to implement a five-year recruitment, retention and succession plan for the Agency by December 2006.

The Agency's recruitment, retention and succession plan is contingent on renewing three fundamental human resources prerequisites – a classification plan, a compensation plan and a performance management system. The success of SAMA's efforts in providing property assessment services within Saskatchewan depends on the knowledge, skills and expertise of our employees, and the Agency's ability to attract and retain a talented and skilled workforce in a highly competitive market.

Demographic and labour market trends have signalled a need for SAMA to plan its future workforce. The assessment community is facing significant challenges due to a large number of pending and recent retirements, and education providers are not receiving enough applicants and students to support the work of assessment agencies across the country. These trends have contributed to a shortage of skilled and experienced practitioners within the property assessment industry, and will continue to affect the work of the Agency into the future.

A new approach to workforce planning was essential to successfully compete in this market. SAMA's comprehensive workforce planning strategy focuses on employee recruitment, staff retention and leadership succession to sustain a healthy and viable organization.

Chief Executive Officer

The transition of responsibilities from the Chief Executive Officer, Murray Cooney, to the Chief Executive Officer Designate, Irwin Blank, began in November 2006, at which time the CEO Designate began to handle the day-to-day Chief Executive Officer functions and issues with the CEO available for consultation.

SAMA's CEO, Murray Cooney, retired from SAMA on December 31, 2006. Murray Cooney was appointed to the position of Chief Executive Officer of the Saskatchewan Assessment Management Agency in July of 1999. Mr. Cooney's 30-year background with the federal government and the cities of Regina and Saskatoon gave him a solid understanding, as both a practitioner and a manager, of rural and urban municipal needs. From that experience, he worked with the SAMA Board in developing a clear vision of how SAMA can best serve Saskatchewan.

The Competitive Assessment Environment

Since 1995, a provision in *The Assessment Management Agency Act* has been made available for municipalities, other than the four major cities of Moose Jaw, Prince Albert, Regina and Saskatoon, to use alternative assessment service.

In November 2004, the Province amended this legislation to require municipalities wishing to undertake their own valuation services receive written consent from all affected school divisions and SAMA. Before this amendment, municipalities were only required to consult with school divisions and receive the written consent of SAMA.

In 2006, one urban municipality (Shellbrook) officially notified the Agency and complied with opting out requirements. Beginning in 2008, Shellbrook will no longer use SAMA's Assessment Services. As of December 31, 2006, there were 15 urban municipalities that did not use SAMA's services.

Confirmation of Assessment Rolls and Assessment Audit

The Quality Assurance Division conducted Confirmation Audits of assessment rolls, and Primary Audits for the majority of municipalities in Saskatchewan to determine compliance with the requirements of the municipal Acts, *The Assessment Management Agency Act*, and the Saskatchewan Assessment Manual.

For the year ending December 31, 2006, SAMA had issued confirmation certificates for 656 municipalities (86.3% of all received returns for 2006). As at March 1, 2007, there were seven municipal assessment rolls in progress for confirmation, and 19 municipal assessment returns were still outstanding. All municipalities passed the 2006 Primary Audit, with their general appraisal level falling within the regulated range (0.98 to 1.02).

2006 CONFIRMED ASSESSED VALUE TOTALS BY TAX STATUS

	URBAN MUNICIPALITIES		
	CITIES	TOWNS	VILLAGES
TAXABLE:			
Non-Arable	574,710	532,640	212,760
Other Agricultural	6,480,319	9,837,308	7,678,746
Residential	10,695,091,695	2,449,459,663	483,090,912
Multi-Unit	2,252,308,743	102,938,836	9,479,540
Seasonal Residential	0	14,050,330	11,894,470
Commercial and Industrial	4,254,783,100	559,517,546	77,627,981
Elevators	23,751,025	55,288,800	10,096,820
Railway R/W and Pipeline	26,768,950	11,887,950	12,638,775
Taxable Total	17,259,758,542	3,203,513,073	612,720,004
EXEMPT:			
Non-Arable	2,228,715	223,760	30,960
Other Agricultural	20,291,631	1,570,580	734,861
Residential	101,311,942	67,936,357	11,368,348
Multi-Unit	57,811,922	4,007,660	1,086,190
Seasonal Residential	0	0	400,960
Commercial and Industrial	4,275,953,140	1,112,931,894	319,169,859
Elevators	0	288,600	942,930
Railway R/W and Pipeline	33,473,080	4,191,150	2,402,775
Exempt Total	4,491,070,430	1,191,150,001	336,136,883
PROVINCIAL GRANT-IN-LIEU			
Non-Arable	42,240	200	0
Other Agricultural	1,164,925	15,510	5,995
Residential	29,186,180	15,070,510	3,044,370
Multi-Unit	127,308,907	11,187,470	2,773,540
Seasonal Residential	0	0	0
Commercial and Industrial	367,589,545	22,905,000	3,139,300
Elevators	0	0	0
Railway R/W and Pipeline	0	121,950	0
Provincial Grant-in-Lieu Total	525,291,797	49,300,640	8,963,205
FEDERAL GRANT-IN-LIEU			
Non-Arable	0	0	0
Other Agricultural	200,525	92,180	0
Residential	21,060,590	2,670,640	1,684,480
Multi-Unit	20,018,570	386,750	343,420
Seasonal Residential	0	0	0
Commercial and Industrial	148,402,264	17,916,700	3,233,700
Elevators	0	0	0
Railway R/W and Pipeline	2,000,700	0	0
Federal Grant-in-Lieu Total	191,682,649	21,066,270	5,261,600

2006 assessed values for Urban, Rural and Northern municipalities are calculated based on the following percentages of fair value for the June 30, 2002 base year:

Non-Arable Land	40%
Other Agricultural	55%
Residential / Seasonal	70%
Multi-Unit Residential	70%
Commercial and Industrial	100%
Elevators	75%
Railway R/W and Pipline	75%

RESORT VILLAGES	TOTAL URBAN MUNICIPALITIES	RURAL MUNICIPALITIES	NORTHERN MUNICIPALITIES	SASKATCHEWAN [1] TOTAL
32,680	1,352,790	722,391,007	201,800	723,945,597
85,635	24,082,008	8,079,896,732	831,105	8,104,809,845
114,037,310	13,741,679,580	1,382,315,653	168,721,844	15,292,717,077
911,960	2,365,639,079	26,634,160	10,536,960	2,402,810,199
250,711,316	276,656,116	409,578,775	55,220,060	741,454,951
14,355,000	4,906,283,627	4,114,621,227	237,898,900	9,258,803,754
0	89,136,645	307,455,079	0	396,591,724
22,725	51,318,400	1,843,299,490	182,175	1,894,800,065
380,156,626	21,456,148,245	16,886,192,123	473,592,844	38,815,933,212
35,760	2,519,195	20,056,100	1,965,560	24,540,855
51,260	22,648,332	35,108,345	340,395	58,097,072
2,466,591	183,083,238	776,725,388	19,499,760	979,308,386
0	62,905,772	1,217,370	575,890	64,699,032
10,172,330	10,573,290	21,701,035	5,307,050	37,581,375
7,498,200	5,715,553,093	767,008,637	103,725,980	6,586,287,710
0	1,231,530	25,724,209	0	26,955,739
0	40,067,005	149,591,475	0	189,658,480
20,224,141	6,038,581,455	1,797,132,559	131,414,635	7,967,128,649
0	42,440	32,578,920	0	32,621,360
0	1,186,430	3,164,725	0	4,351,155
192,640	47,493,700	868,000	122,570	48,484,270
0	141,269,917	0	0	141,269,917
0	0	2,730	10,360	13,090
1,666,100	395,299,945	48,366,700	15,515,320	459,181,965
0	0	0	0	0
0	121,950	30,705,900	0	30,827,850
1,858,740	585,414,382	115,686,975	15,648,250	716,749,607
0	0	88,935,280	0	88,935,280
0	292,705	6,101,565	0	6,394,270
0	25,415,710	6,045,130	1,676,430	33,137,270
0	20,748,740	4,476,780	284,410	25,509,930
0	0	6,914,800	560	6,915,360
0	169,552,664	79,165,300	5,117,200	253,835,164
0	0	0	0	0
0	2,000,700	2,612,100	0	4,612,800
0	218,010,519	194,250,955	7,078,600	419,340,074

[1] Assessment rolls for 2006 have not been confirmed as at March 1, 2007 for the following municipalities, therefore their aggregate assessed values are not included in the 2006 assessment totals in the above table:

City of Moose Jaw
N. Village of Cole Bay
N. Village of Jans Bay
N. Village of La Loche
Resort Village of Greig Lake
R.M. of Blaine Lake No. 434
R.M. of Cana No. 214
R.M. of Craik No. 222
R.M. of Hazel Dell No. 335
R.M. of Invergordon No. 430
R.M. of King George No. 256
R.M. of Maple Bush No. 224
R.M. of Paddockwood No. 520
Town of Coronach
Town of Wapella
Village of Aneroid
Village of Duff
Village of Findlater
Village of Gladmar
Village of Laird
Village of Lang
Village of Macrorie
Village of Mervin
Village of Rockhaven
Village of Ruddell
Village of Togo

SAMA
Saskatchewan Assessment Management Agency

2002-2006 CONFIRMED TAXABLE ASSESSMENT TOTALS

	URBAN MUNICIPALITIES						
	CITIES	DISTRICTS	RESORTS, TOWNS AND VILLAGES	URBAN MUNICIPALITIES TOTAL	RURAL MUNICIPALITIES TOTAL	NORTHERN MUNICIPALITIES TOTAL	SASKATCHEWAN TOTAL
2002	16,278,474,523	0	3,771,133,587	20,049,608,110	15,927,623,088	432,701,425	36,409,932,623 [2]
PERCENT CHANGE 2001-02	1.42	0	-0.25	1.10	1.34	-0.96	1.18
2003	16,301,115,837	0	3,812,254,509	20,113,370,346	16,106,037,470	435,711,765	36,655,119,581 [2]
PERCENT CHANGE 2002-03	0.14	0	1.09	0.32	1.12	0.70	0.67
2004	16,712,489,765	0	3,843,314,060	20,555,803,825	16,284,881,316	434,618,055	37,275,303,196 [2,5]
PERCENT CHANGE 2003-04	2.52	0	0.81	2.20	1.11	-0.25	1.69
2005	17,934,119,595	46,504,825	4,103,077,016	22,083,701,436	16,918,523,482	475,091,809	39,477,316,727 [1,4]
PERCENT CHANGE 2004-05	7.31	0	6.76	7.43	3.89	9.31	5.91
2006	17,259,758,542	0	4,196,389,703	21,456,148,245	16,886,192,123	473,592,844	38,815,933,212 [1,3]
PERCENT CHANGE 2005-06	-3.76	0	2.27	-2.84	-0.19	-0.32	-1.68

[1]2005-2006 assessed values are calculated based on the following percentages of fair value for the June 30, 2002 base year:

Urban, Rural and Northern Municipalities:

Non-Arable Land	40%	Commercial and Industrial	100%
Other Agricultural	55%	Elevators	75%
Residential/Seasonal	70%	Railway R/W and Pipeline	75%
Multi-Unit Residential	70%		

[2]2002-2004 assessed values are calculated based on the following percentages of fair value for the June 30, 1998 base year:

Urban, Rural and Northern Municipalities:

Non-Arable Land	50%	Seasonal Residential	70%
Other Agricultural	55%	Commercial and Industrial	100%
Residential	70%	Elevators	75%
Multi-Unit Residential	70%	Railway R/W and Pipeline	75%

[3]Assessment rolls for 2006 have not been confirmed as at March 1, 2007 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2006 assessment totals in the above table:

City of Moose Jaw	R.M. of Invergordon No. 430	Village of Gladmar
N. Village of Cole Bay	R.M. of King George No. 256	Village of Laird
N. Village of Jans Bay	R.M. of Maple Bush No. 224	Village of Lang
N. Village of La Loche	R.M. of Paddockwood No. 520	Village of Macrorie
Resort Village of Greig Lake	Town of Coronach	Village of Mervin
R.M. of Blaine Lake No. 434	Town of Wapella	Village of Rockhaven
R.M. of Cana No. 214	Village of Aneroid	Village of Ruddell
R.M. of Craik No. 222	Village of Duff	Village of Togo
R.M. of Hazel Dell No. 335	Village of Findlater	

[4]Assessment rolls for 2005 have not been confirmed as at March 1, 2007 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2005 assessment totals in the above table:

Northern Village of Cole Bay	R.M. of Cana No. 214	Village of Ridgedale
N. Village of Jans Bay	Village of Girvin	Village of Rockhaven

[5]Assessment rolls for 2004 have not been confirmed as at March 1, 2007 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2004 assessment totals in the above table:

Northern Village of Cole Bay	Village of Girvin	Village of Rockhaven

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

CITY ADVISORY COMMITTEE - AS AT DECEMBER 31, 2006

The City Advisory Committee is responsible for cities with a population exceeding 30,000 (Moose Jaw, Prince Albert, Regina and Saskatoon).

MEMBERS	REPRESENTING
Fred Clipsham, Committee Chair	SAMA Board Member, City Sector
Dan Danielson	SAMA Board Member
Craig Melvin	SAMA Board Chair
Robert Schultz (non-voting)	SAMA Board Member
Rick Brunsdon (non-voting)	SAMA Board Member
Al Schwinghamer	City of Moose Jaw
Garry McKay	City of Moose Jaw
Vacant	City of Prince Albert
Greg Dionne	City of Prince Albert
Pat Fiacco	City of Regina
Vacant	City of Regina
Vacant	City of Saskatoon
Marlys Bilanski	City of Saskatoon
Vacant	Saskatchewan Urban Municipalities Association, Board Member
Mike St. Amand	Saskatchewan School Boards Association, Trustee
Mike Schulkowsky	Saskatchewan Assessment Appraisers' Association

OBSERVERS	
Maryellen Carlson	Saskatchewan Government Relations
John Edwards	Saskatchewan Government Relations
Velma Geddes	Saskatchewan School Boards Association, Administrator
Laurent Mougeot	Saskatchewan Urban Municipalities Association, Executive Director
Vacant	City of Moose Jaw
Joe Day	City of Prince Albert
Don Barr	City of Regina
Vacant	City of Regina
Gord Lawson	City of Saskatoon
Bruce Richards	City of Saskatoon

ADMINISTRATIVE SUPPORT	
Murray Cooney, CEO	SAMA
Irwin Blank, Committee Secretary	SAMA

COMMERCIAL ADVISORY COMMITTEE – AS AT DECEMBER 31, 2006

The Commercial Advisory Committee is responsible for reviewing policies and practices respecting assessment, especially as they relate to commercial property, and to make recommendations to the Board concerning these policies and practices.

MEMBERS	REPRESENTING
Craig Melvin, Committee Chair	SAMA Board Chair
Fred Clipsham (non-voting)	SAMA Board Member, City Sector
Sharon Armstrong (non-voting)	SAMA Board Member, Urban Sector
John Wagner (non-voting)	SAMA Board Member, Rural Sector
Ray Sass (non-voting)	SAMA Board Member, Education Sector
Rick Brunsdon (non-voting)	SAMA Board Member
Art Scherr (non-voting)	SAMA Board Member
John Kearley	Saskatoon Broadway Business Improvement District
Tracy Fahlman	Regina Downtown Business Improvement District
Ted Mitchell	Saskatoon Regional Economic Development Authority
Rob Lawrence	Association of Saskatchewan REALTORS
Gil Dobroskay	Association of Saskatchewan REALTORS
Kevin Olmstead	Saskatchewan Chamber of Commerce
John Hopkins	Regina & District Chamber of Commerce
Marilyn Braun-Pollon	Canadian Federation of Independent Business
Brian Jamieson	Building Owners and Managers Association
Ken Love	Canadian Property Tax Association
Ken McKinlay	Saskatchewan Home Builders' Association
Tom Mullin	Saskatchewan Hotel & Hospitality Association
Murray Sadownick	National Golf Course Owners Association, Saskatchewan Chapter
Dale Cumming	Inland Terminal Association of Canada
Reg Hinz	Western Grain Elevator Association Tax Committee
Rick Johnston	Canadian Energy Pipeline Association
Dave Loader	Canadian Association of Petroleum Producers
Darrell Zwarych	Saskatchewan Mining Association
Vacant	Railway Association of Canada
Ian McGilp	Tourism Saskatchewan
Mike Schulkowsky	Saskatchewan Assessment Appraisers' Association
Grace Muzyka	Sask. Association of the Appraisal Institute of Canada
OBSERVERS	
Vacant	Saskatchewan Government Relations
Colleen Mackenzie	Saskatchewan Industry and Resources, Industrial Development
Vacant	Saskatchewan Industry and Resources, Resource Development
Don Barr	City of Regina
Gord Lawson	City of Saskatoon
Joe Day	City of Prince Albert
Vacant	City of Moose Jaw
Cameron Duncan	City of North Battleford
Mike Kehler	City of Swift Current
Murray Cooney	SAMA CEO
ADMINISTRATIVE SUPPORT	
Stuart McDonald, Committee Secretary SAMA	

RURAL ADVISORY COMMITTEE – AS AT DECEMBER 31, 2006

The Rural Advisory Committee is responsible for rural municipalities.

MEMBERS	REPRESENTING
John Wagner, Committee Chair	SAMA Board Member, Rural Sector
Darryl Senecal	SAMA Board Member, Rural Sector
Sharon Armstrong	SAMA Board Member
Craig Melvin	SAMA Board Chair
Ray Sass (non-voting)	SAMA Board Member
Robert Schultz (non-voting)	SAMA Board Member
Ron Thomas (non-voting)	SAMA Board Member
William Barmby	R.M. of Stanley No. 215
Morgan Powell	R.M. of Miry Creek No. 229
Vacant	R.M.
Robert Webb	R.M. of Big Quill No. 308
Doug Oleksyn	R.M. of Shellbrook No. 493
Gordon Meyer	R.M. of Progress No. 351
Ray Orb	Saskatchewan Association of Rural Municipalities, Board Member
Richard Eberts	Provincial Association of Resort Communities
Jack Rowswell	Saskatchewan School Boards Association, Trustee
Ken Johnson	Saskatchewan Assessment Appraisers' Association

OBSERVERS	
Mark Brothen	Saskatchewan Government Relations
Ken Engel	Saskatchewan Association of Rural Municipalities, Executive Director
Rod Quintin	Saskatchewan School Boards Association, Administrator
Robert Thurmeier	Rural Municipal Administrators Association of Saskatchewan
Barb Zelinski	R.M. of Corman Park No. 344
Murray Cooney	SAMA CEO

ADMINISTRATIVE SUPPORT	
Brad Korbo, Committee Secretary	SAMA
Irwin Blank	SAMA

URBAN ADVISORY COMMITTEE – AS AT DECEMBER 31, 2006

The Urban Advisory Committee is responsible for urban and northern municipalities, excluding cities with a population exceeding 30,000

MEMBERS	REPRESENTING
Sharon Armstrong, Committee Chair	SAMA Board Member, Urban Sector
Fred Clipsham	SAMA Board Member, City Sector
Dan Danielson	SAMA Board Member
Craig Melvin	SAMA Board Chair
Ron Thomas (non-voting)	SAMA Board Member
Darryl Senecal (non-voting)	SAMA Board Member
Art Scherr (non-voting)	SAMA Board Member
Randy Goulden	City of Yorkton
Rob Stephanson	City of Weyburn
Gordon Yarde	Town of Battleford
Vacant	Town
Barry Gunther	Resort Village of Sun Valley
Gary Kayter	Village of Dysart
Vacant	Saskatchewan Urban Municipalities Association, Board Member
Vern Noble	Provincial Association of Resort Communities of Saskatchewan
Rosalie Payne	Saskatchewan School Boards Association, Trustee
Michael Kehler	Saskatchewan Assessment Appraisers' Association

OBSERVERS	
Keith Comstock	Saskatchewan Government Relations
Laurent Mougeot	Saskatchewan Urban Municipalities Association, Executive Director
Rod Quintin	Saskatchewan School Boards Association, Administrator
Rodney Audette	Urban Municipalities Administrators Association of Saskatchewan
Bob Smith	City Commissioner
Murray Cooney, CEO	SAMA

ADMINISTRATIVE SUPPORT	
Tim Furlong, Committee Secretary	SAMA

AGRICULTURAL LAND REVIEW COMMITTEE – DISESTABLISHED DECEMBER 31, 2006

The Agricultural Land Review Committee represents stakeholder organizations, expert third parties and assessment professionals, and focuses on improving agricultural land assessment.

MEMBERS	REPRESENTING
Darryl Senecal, Committee Chair	SAMA Board, Rural Sector Board Member
John Wagner	SAMA Board, Rural Sector Board Member
Craig Melvin	SAMA Board Chair
Murray Cooney*	SAMA CEO
Irwin Blank*	SAMA, Managing Director of Technical Standards and Policy
Brad Korbo*	SAMA, Director of Research
Kevin Groat*	SAMA, Regional Manager
Graham Stearns*	SAMA, Regional Manager
Steve Suchan*, Committee Secretary	SAMA
Dr. Richard Schoney*	University of Saskatchewan
Vacant*	Farm Credit Corporation
Don Sweet*	Prairie Farm Rehabilitation Administration
Lorne Tangjerd*	Saskatchewan Agricultural and Food
John Kiss*	Saskatchewan Crop Insurance
John Warkentin*	Saskatchewan Association of the Appraisal Institute of Canada
Ray Orb*	Saskatchewan Association of Rural Municipalities
Orin Balas*	Saskatchewan Stock Growers Association
Jim Zemluk*	Saskatchewan Assessment Appraisers' Association
Ken Johnson*	Saskatchewan Assessment Appraisers' Association

* Indicates those members that can send a designate.

CITY ASSESSORS | SAMA COMMITTEE – AS AT DECEMBER 31, 2006

The City Assessors/SAMA Committee, represents assessment professionals and focuses on issues related to implementing a 2009 market value assessment system for urban properties.

MEMBERS	REPRESENTING
Irwin Blank	CEO, SAMA
Gord Lawson	City of Saskatoon
Don Barr	City of Regina
Joe Day	City of Prince Albert
Cameron Duncan	City of North Battleford
Mike Kehler	City of Swift Current
Murray Cooney	SAMA
Brad Korbo	SAMA
Tim Furlong	SAMA
Gordon Senz	SAMA
Todd Treslan	SAMA
John Allan	SAMA
Steve Thair	SAMA
Shaun Cooney	SAMA
Nancy Wollner-Epoch	SAMA
Tanya Walker	SAMA, Committee Secretary
Fred Clipsham	SAMA Board, Observer
Rick Brunsdon	SAMA Board, Observer

AUDITORS' REPORT

To the Board of Directors of
Saskatchewan Assessment Management Agency

We have audited the balance sheet of Saskatchewan Assessment Management Agency as at December 31, 2006 and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

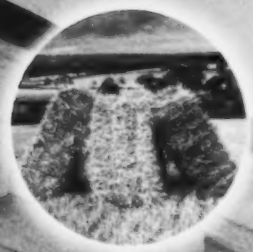
We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Regina, Saskatchewan
February 12, 2007



SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

BALANCE SHEET

As at December 31, 2006

	2006	2005
CURRENT ASSETS		
Cash	**$ 794,259**	$ 1,706,476
Accounts receivable and accrued interest	**365,870**	159,436
Saskatchewan Learning grant receivable	**625,003**	–
Province of Saskatchewan grant receivable	**458,750**	458,750
Prepaid expenses	**185,211**	224,592
	2,429,093	2,549,254
CAPITAL ASSETS (Note 3)	**4,982,088**	5,361,499
	$ 7,411,181	$ 7,910,753
CURRENT LIABILITIES		
Accounts payable	**$ 637,873**	$ 532,110
Deferred revenue	**193,636**	–
Current portion of deferred contributions related to SPAN (Note 6)	**578,752**	552,121
Demand loan related to SPAN (Note 4)	**742,181**	1,661,524
	2,152,442	2,745,755
DEFERRED CONTRIBUTIONS (Note 5)	**504,242**	507,820
DEFERRED CONTRIBUTIONS RELATED TO SPAN (Note 6)	**3,041,230**	2,656,613
	5,697,914	5,910,188
NET ASSETS		
Net assets invested in capital assets	**619,925**	491,241
Internally restricted net assets (Note 7)	**976,851**	1,180,423
Unrestricted net assets	**116,491**	328,901
	1,713,267	2,000,565
	$ 7,411,181	$ 7,910,753

See accompanying notes

APPROVED BY THE BOARD

Director

Director

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF REVENUES AND EXPENSES

Year ended December 31, 2006

	Budget 2006 (Unaudited)	Actual 2006	Actual 2005
REVENUES			
Province of Saskatchewan operating grant	**$ 5,475,000**	**$ 4,715,000**	$ 4,860,000
Province of Saskatchewan restricted grant (Notes 5 and 6)	**1,320,000**	**912,330**	979,015
Requisitions from municipalities	**5,752,000**	**5,799,530**	5,799,530
Requisitions from Sask. Learning on behalf of school divisions	**2,500,000**	**2,500,000**	1,625,000
Fees	**130,000**	**177,996**	215,759
Interest	**30,000**	**93,690**	63,935
Appraisal and assessment services	**92,000**	**765,439**	35,652
Miscellaneous	**187,000**	**102,019**	100,893
	15,486,000	**15,066,004**	13,679,784
EXPENSES			
Aerial photography	**77,250**	**2,670**	63,151
Amortization (Note 3)	**1,131,540**	**745,216**	759,204
Bank charges	**10,000**	**16,562**	14,615
Communications	**43,850**	**39,653**	58,086
Computer software, supplies and services	**942,610**	**1,378,479**	918,183
Insurance	**12,000**	**17,409**	14,075
Interest	**–**	**36,544**	351
Land titles information	**301,250**	**183,524**	180,126
Office expenses other than rent	**448,850**	**561,476**	425,012
Printing	**149,120**	**83,903**	70,658
Professional	**200,250**	**252,183**	27,353
Rent	**606,790**	**738,941**	635,846
Salaries and benefits	**10,582,870**	**10,298,922**	8,668,616
Staff training and development	**234,530**	**391,771**	222,216
Travel and accommodation	**745,090**	**606,049**	689,008
	15,486,000	**15,353,302**	12,746,494
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	**$ –**	**$ (287,298)**	$ 933,290

See accompanying notes

SAMA
Saskatchewan Assessment Management Agency

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31, 2006

	Invested in Capital Assets	Internally Restricted Net Assets	Unrestricted Net Assets	**2006 Total**	2005 Total
NET ASSETS, BEGINNING OF YEAR	$ 491,241	$ 1,180,423	$ 328,901	**$ 2,000,565**	$ 1,067,275
(Deficiency) excess of revenues over expenses	(166,464) [1]	–	(120,834)	**(287,298)**	933,290
Transfers (Note 7)	(70,657)	220,000	(149,343)	**–**	–
Investment in capital assets	365,805	(423,572)	57,767	**–**	–
NET ASSETS, END OF YEAR	$ 619,925	$ 976,851	$ 116,491	**$ 1,713,267**	$ 2,000,565

See accompanying notes

[1]

Consists of:	
Amortization of deferred contributions related to capital assets (Note 6)	$ 578,752
Amortization expense (Note 3)	(745,216)
Decrease in net assets invested in capital assets	(166,464)

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF CASH FLOWS

Year ended December 31, 2006

	2006	2005
OPERATING		
(Deficiency) excess of revenues over expenses	**$ (287,298)**	$ 933,290
Items not affecting cash		
Amortization of capital assets (Note 3)	**745,216**	759,204
Amortization of deferred SPAN contributions (Note 6)	**(578,752)**	(728,766)
	(120,834)	963,728
Changes in non-cash working capital		
Accounts receivable and accrued interest	**(206,434)**	(19,978)
Department of Learning grant receivable	**(625,003)**	–
Province of Saskatchewan grant receivable	**–**	(3,750)
Prepaid expenses	**39,381**	(161,550)
Accounts payable	**105,763**	(229,173)
Deferred revenue	**193,636**	–
Deferred contributions	**(3,578)**	79,750
	(617,069)	629,027
INVESTING		
Purchase of capital assets	**(365,805)**	(814,186)
SPAN contributions received (Note 6)	**990,000**	990,000
	624,195	(175,814)
FINANCING		
Repayment of capital lease obligations	**–**	(24,617)
Advance from demand loan (Note 4)	**–**	329,000
Repayment on demand loan (Note 4)	**(919,343)**	(843,590)
	(919,343)	(539,207)
(DECREASE) INCREASE IN CASH	**(912,217)**	265,634
CASH, BEGINNING OF YEAR	**1,706,476**	1,440,842
CASH, END OF YEAR	**$ 794,259**	$ 1,706,476

See accompanying notes

December 31, 2006

1. STATUTORY AUTHORITY

The Saskatchewan Assessment Management Agency (SAMA) was established under the authority of *The Assessment Management Agency Act* (AMA) on March 1, 1987.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Canadian generally accepted accounting principles (GAAP) and reflect the following significant accounting principles:

a) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and short term investments with maturities of three months or less.

c) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the diminishing balance method, except for leasehold improvements and mainframe computer equipment, which are being amortized using the straight-line method over the lease term and lives of the assets, respectively.

d) Computer Software Development Costs

Computer software development costs are expensed unless they meet the criteria for capitalization provided for under GAAP. Costs are capitalized only to the extent that their recovery is reasonably assured. These costs are amortized over the anticipated period of benefit beginning when the development reaches substantial completion.

Expenditures related to the development of the Saskatchewan Property Assessment Network (SPAN) are being capitalized. The project, which began in June 2002 and was substantially completed in January 2005, will allow the Agency to modernize the computer system used for provincial property assessment. Costs directly related to the project have been capitalized, with the exception of those related to training. The determination of future benefit to be realized from the project is one that involves significant management judgment. This project is dependent upon annual funding from the Province of Saskatchewan.

e) Reserves

Reserves are established by Board approval through appropriations of unrestricted net assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Revenue Recognition

SAMA follows the deferral method of accounting for grants and other contributions received from the Province of Saskatchewan. Approved operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued.

Externally restricted contributions for future expenses are recognized as revenue in the year in which the related expenses are incurred. Externally restricted contributions for capital assets are deferred and recognized as revenue in the period the related amortization of the capital assets occurs.

g) Financial Instruments

i) Fair value

The carrying values of accounts receivable and accrued interest, Department of Learning grant receivable, Province of Saskatchewan grant receivable, and accounts payable approximates their fair value given the short-term maturities of these items.

ii) Foreign exchange risk

SAMA does not have any significant exposure to foreign exchange risk.

iii) Interest rate risk

SAMA is exposed to interest rate risk arising from fluctuations in interest rates and the degree of volatility in these rates. SAMA does not use derivative instruments to reduce its exposure to interest rate risk.

iv) Credit risk

SAMA is not dependent on any single customer or group of customers. There is no concentration of credit risk related to SAMA's accounts receivable.

3. CAPITAL ASSETS

	December 31, 2006			
	Rate	Cost	Accumulated Amortization	Net Book Value
Mainframe computer equipment	1/5	$ 113,955	$ 113,955	**$ –**
Desktop computer equipment	40%	1,662,707	1,497,180	**165,527**
Furniture and equipment	20%	663,660	501,664	**161,996**
Leasehold improvements	1/5	422,117	397,564	**24,553**
SPAN system	1/10	5,940,000	1,309,988	**4,630,012**
December 31, 2006		$ 8,802,439	$ 3,820,351	**$ 4,982,088**

	December 31, 2005			
	Rate	Cost	Accumulated Amortization	Net Book Value
Mainframe computer equipment	1/5	$ 113,955	$ 113,955	$ –
Desktop computer equipment	40%	1,567,526	1,386,828	180,698
Furniture and equipment	20%	587,650	461,164	126,486
Leasehold improvements	1/5	408,618	384,420	24,198
SPAN system	1/10	5,758,884	728,767	5,030,117
December 31, 2005		$ 8,436,633	$ 3,075,134	$ 5,361,499

Amortization expense for the year comprised the following:

	2006	2005
Amortization of equipment and leasehold improvements	**$ 166,464**	$ 207,083
Amortization of SPAN system	**578,752**	552,121
	$ 745,216	$ 759,204

4. DEMAND LOAN RELATED TO SPAN

SAMA has an unsecured bank loan in the amount of $742,181 (2005 - $1,661,524). The amount outstanding is repayable on demand and bears interest at prime. This balance is repayable in quarterly instalments plus interest with total repayments concluded by March, 2008.

5. DEFERRED CONTRIBUTIONS

Under Section 18(3) of AMA, the Agency is entitled to receive additional funding from the Province of Saskatchewan subject to any terms and conditions that the Minister may prescribe. In 2006, a restricted contribution was received for the development of the 'income approach' for commercial assessment. The Agency is required to demonstrate to the Province that the conditions attached to the funding are being met. Deferred contributions represent unspent resources from this externally restricted funding.

		2006		2005
Deferred contributions, beginning of year	$	**507,820**	$	428,070
Restricted contribution received during the year		**330,000**		330,000
Eligible expenditures during the year		**(333,578)**		(250,250)
Deferred contributions, end of year	$	**504,242**	$	507,820

6. DEFERRED CONTRIBUTIONS RELATED TO SPAN

In 2006, the Agency received a restricted contribution for the development and implementation of SPAN. The Agency is required to demonstrate to the Province that the conditions attached to the funding are being met.

		2006	2005
Deferred contributions, beginning of year	$	**3,208,734**	$2,947,500
Restricted contribution received during the year		**990,000**	990,000
Amoritization of deferred contributions		**(578,752)**	(728,766)
		3,619,982	3,208,734
Current Portion		**(578,752)**	(552,121)
Deferred contributions, end of year	$	**3,041,230**	$2,656,613

During the year, SPAN capitalized expenditures incurred were as follows:

		2006		2005
SPAN system development costs capitalized	$	**181,116**	$	502,108
SPAN hardware and software costs capitalized		**–**		38,999
SPAN furniture and equipment costs capitalized		**–**		289
	$	**181,116**	$	541,396

7. INTERNALLY RESTRICTED NET ASSETS

		2006		2005
Reserve for Communications	$	**50,000**	$	50,000
Reserve for Computer Enhancements		**530,067**		709,009
Reserve for Professional Fees		**341,784**		366,414
Reserve for Travel		**55,000**		55,000
	$	**976,851**		$1,180,423

a) Reserve for Communications

A reserve has been established to provide for the purchase of goods and services required for communication related to the assessment revaluation system. There were no charges to the reserve in the current or prior year

7. INTERNALLY RESTRICTED NET ASSETS (continued)

b) Reserve for Computer Enhancements

A reserve has been established to provide for the purchase of computer software and equipment necessary for assessment revaluation processes. In 2006, $60,000 (2005 – $262,842) was transferred to the reserve and approved expenditures were $238,942 (2005 – nil).

c) Reserve for Professional Fees

A reserve has been established to provide for the purchase of legal, appraisal and other professional services related to property appeals and defense of value arising from assessment revaluations. In 2006, $160,000 (2005 – $202,114) was transferred to the reserves and approved expenditures were $184,630 (2005 – nil).

d) Reserve for Travel

A reserve has been established to provide for travel costs that will be incurred relating to the physical reinspection of property in municipalities. There were no charges to the reserve in the current or prior year.

8. COMMITMENTS

The Agency has leased premises in locations in Regina, Saskatoon, Yorkton, Weyburn, Melfort, Swift Current, Moose Jaw and North Battleford with monthly rental payments totalling $53,825. The leases are to expire between 2007 and 2016.

Also, the Agency leases certain equipment under an operating lease with annual payments of $29,280. These lease payments expire on December 1, 2010.

9. PENSION EXPENSE

Employees of the Agency belong to one of two pension plans. Employees hired after October 1, 1977, make contributions to the Public Employees Pension Plan (PEPP), a defined-contribution plan. Funding requirements are established by *The Superannuation (Supplementary Provisions) Act* and employee contributions are matched by the Agency. Employees hired prior to October 1, 1977, who did not elect to transfer to the PEPP by October 1, 1978, make contributions to the Public Service Superannuation Plan (PSSP), a defined-benefit plan. The plan provides for pensions at retirement that are based on employees' years of service and their highest five years' earnings. Pension obligations for this plan are the responsibility of the Province of Saskatchewan - General Revenue Fund.

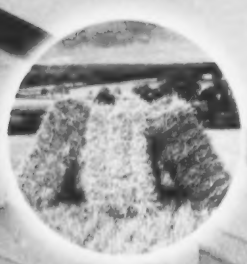
The total pension cost to the Agency for employees in PEPP was $489,510 (2005 - $409,275).

10. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Agency by virtue of common control by the Province of Saskatchewan, non-Crown corporations and enterprises subject to joint control and significant influence by the Province of Saskatchewan and investee corporations accounted for under the equity method (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year-end are as follows:

		2006	2005
Operating expenses	$	**1,592,282**	$1,327,885
Accounts receivable		**11,077**	25
Accounts payable		**69,687**	41,983



10. RELATED PARTY TRANSACTIONS (continued)

In addition, the Agency pays Saskatchewan Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other amounts and transactions due to (from) related parties and the terms of settlement are described separately in these financial statements and notes thereto.

11. ECONOMIC DEPENDENCE

SAMA is economically dependent on the Province of Saskatchewan due to the extent of government funding the Agency's operations (54%) and the SPAN project (100%).

12. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the presentation adopted for the current year.

PROVINCIAL INTEREST EXPENDITURES

AUDITORS' REPORT

To the Board of Directors of
Saskatchewan Assessment Management Agency

We have audited the attached Schedule of Provincial Interest Expenditures of the Saskatchewan Assessment Management Agency for the year ended December 31, 2006. These expenditures were calculated in accordance with the methodology described in Note 2 to the Schedule. This financial information is the responsibility of the Agency's management. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, the Schedule presents fairly, in all material respects, the Provincial Interest Expenditures of the Agency for the year ended December 31, 2006 in accordance with the methodology referred to above and described in Note 2 to the Schedule.

Deloitte & Touche LLP

Chartered Accountants

Regina, Saskatchewan,
February 12, 2007

SAMA
Saskatchewan Assessment Management Agency

SCHEDULE OF PROVINCIAL INTEREST EXPENDITURES

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

Year Ended December 31, 2006

Cost Classifications	Salaries & Benefits	Other Costs	Total Expenses
Research and policy	$ 1,195,290	$ 704,018	$ 1,899,308
Maintenance of computer database	902,089	1,281,802	2,183,891
Provide assessment information	745,525	253,581	999,106
Quality assurance	1,714,718	138,921	1,853,639
Total Provincial Interest Expenditures	4,557,622	2,378,322	6,935,944
Field operations	5,741,300	2,676,058	8,417,358
TOTAL EXPENSES OF THE AGENCY	$ 10,298,922	$ 5,054,380	$ 15,353,302

See accompanying notes

APPROVED BY THE BOARD

_____ Director

_____ Director

2006 ANNUAL REPORT

NOTES TO THE SCHEDULE OF PROVINCIAL INTEREST EXPENDITURES

Year Ended December 31, 2006

1. STATUTORY REQUIREMENT

Saskatchewan Assessment Management Agency ("the Agency") is required to provide a schedule of expenditures for the amounts provided to the Agency pursuant to subsections 18(2) and (3) of The Assessment Management Agency Act ("the Act").

Section 18(2) of the Act stipulates that the Minister of Finance shall pay to the Agency in each fiscal year out of the General Revenue Fund ("GRF"), the amount of $4,000,000 in instalments agreed on between the Minister of Finance and the Agency for the purpose of:

(a) assessment research and policy development;
(b) maintaining a central database;
(c) providing assessment information;
(d) assuring the quality of assessments.

Section 18(3) of the Act provides that "Where funds have been provided by the Legislature for the purpose, the Minister may make loans or grants to the agency, in addition to the amount to be paid pursuant to subsection (2), or to municipalities, subject to any terms and conditions that he or she may prescribe."

2. METHODOLOGY

The Schedule of Provincial Interest Expenditures (the "Schedule") was prepared by management.

All of the Agency's expenses are allocated to cost centers within the cost classifications identified on the Schedule.

Direct costs have been allocated to the five cost categories. The indirect cost allocations have been made by management using its best estimates and judgement. These costs have been allocated to the cost categories primarily on the basis of the number of employees and their activities within each cost category.

3. USE OF ESTIMATES

The preparation of the Schedule requires management to make estimates and assumptions that affect reported amounts of expenditures during the year. Actual results could differ from those estimations.

NOTES

SAMA
Saskatchewan Assessment Management Agency

SAMA CENTRAL OFFICE:

200 - 2201 11th Avenue
Regina SK S4P 0J8
Tel: 306-924-8000 or 800-667-7262 Fax: 306-924-8070
Web site: www.sama.sk.ca

SAMA REGIONAL OFFICES:

MELFORT

1121 Main Street
P.O. Box 1089
Melfort SK S0E 1A0
Phone: 752-6142 or 1-800-216-4427 Fax: 752-6151

REGINA

600 - 2201 - 11th Avenue
Regina SK S4P 0J8
Phone: 924-8080 or 1-800-498-0578 Fax: 924-8088

SASKATOON

300, 333 - 25th Street East
Saskatoon SK S7K 0L4
Phone: 933-5385 or 1-800-667-5203 Fax: 933-7997

NORTH BATTLEFORD (RURAL OFFICE)

702, 1101 – 101st Street
North Battleford SK S9A 0Z5
Phone: 446-7665 or 1-800-824-2570 Fax: 446-7568

SWIFT CURRENT

350 Cheadle Street West
Swift Current SK S9H 4G3
Phone: 778-8444 or 1-800-498-0574 Fax: 778-8445

WEYBURN

3rd Floor - 110 Souris Avenue
Weyburn SK S4H 2Z9
Phone: 848-2397 or 1-800-498-0575 Fax: 848-2399

YORKTON

45B Palliser Way
Yorkton SK S3N 4C5
Phone: 786-1370 or 1-800-498-0576 Fax: 786-1372

SAMA

2000 ANNUAL REPORT

SAMA
Saskatchewan Assessment
Management Agency

ANNUAL REPORT

200 - 2201 11th Avenue
Regina SK S4P 0J8
Tel: 306-924-8000 or
800-667-7262
Fax: 306-924-8070
Web site: www.sama.sk.ca

SAMA
Saskatchewan Assessment
Management Agency

PURSUING EXCELLENCE IN ASSESSMENT POLICY AND SERVICES FOR SASKATCHEWAN